## WHAT IS CLAIMED IS:

l	1. A method for processing a transaction in which a customer purchases an item from
2	a merchant, comprising:
3	determining a third party subsidy offer to be provided to the customer, the third party
1	subsidy offer being associated with a third party benefit to be applied to the transaction; and
5	evaluating whether a merchant benefit will be applied to the transaction.
l	2. The method of claim 1, wherein said evaluation is based on the third party benefit.
l	3. The method of claim 1, wherein said determining is performed in response to an
2	indication that the customer is interested in purchasing the item.
l	4. The method of claim 1, wherein said evaluating is performed in response to an
2	indication that the customer is interested in purchasing the item.
l	5. The method of claim 1, wherein said determining comprises:
2	receiving an indication of the third party subsidy offer.
l	6. The method of claim 5, wherein said receiving is performed prior to receiving an
2	indication that the customer is interested in purchasing the item.
1	7. The method of claim 5, wherein said receiving is performed in response to a
2	request transmitted after receiving an indication that the customer is interested in purchasing
<u>.</u>	the item.
,	the item.
1	8. The method of claim 1, wherein said determining comprises:
•	retrieving an indication of the third party subsidy offer.
•	Toutering an indication of the time party substay offer.
l	9. The method of claim 1, wherein the third party benefit comprises a third party

subsidy amount and the merchant benefit comprises a merchant subsidy amount.

1	10. The method of claim 9, wherein the merchant subsidy amount is based on a retain
2	price associated with the item less the third party subsidy amount.
1	11: The method of claim 10, wherein said evaluating comprises:
2	comparing a retail margin associated with the item and the merchant subsidy amount
1	12. The method of claim 11, wherein the retail margin comprises the retail price less
2	a cost of the item to the merchant.
1	13. The method of claim 12, wherein the merchant subsidy amount is applied to the
2	transaction if the retail margin less the merchant subsidy amount is at least equal to a
3	minimum acceptable margin associated with the item.
1	14. The method of claim 1, wherein the third party benefit comprises a third party
2	subsidy amount and the merchant benefit comprises providing the item to the customer for
3	free.
1	15. The method of claim 14, wherein said evaluating comprises:
2	comparing the third party subsidy amount and a cost of the item to the merchant.
1	16. The method of claim 15, wherein the item is provided to the customer for free if
2	the third party subsidy amount is at least equal to the cost of the item.
1	17. The method of claim 14, wherein said evaluating comprises:
2	comparing the third party subsidy amount and a retail price associated with the item.
1	18. The method of claim 17, wherein the item is provided to the customer for free if
2	the third party subsidy amount is at least equal to the retail price.
1	19. The method of claim 1, wherein the third party benefit comprises a third party
2	subsidy amount, the merchant benefit comprises a reduced item price, and said evaluating
3	comprises:
4	comparing the reduced item price, the third party subsidy amount, and a cost of the
5	item to the merchant.

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20. The method of claim 19, wherein the reduced item price is applied to the
transaction if a margin associated with the transaction is at least equal to a minimum
acceptable margin associated with the item.

- 21. The method of claim 20, wherein the margin associated with the transaction comprises the third party subsidy amount plus the reduced item price less the cost of the item.
  - 22. The method of claim 19, wherein the reduced item price is applied to the transaction without being disclosed to the customer.
  - 23. The method of claim 19, wherein the reduced item price is based on at least one of: (i) a retail price associated with the item less a predetermined amount, and (ii) a predetermined percentage of the retail price.
  - 24. The method of claim 1, wherein the third party benefit comprises a third party subsidy amount, the merchant benefit comprises a reduced item price, and said evaluating comprises:

comparing the reduced item price, the third party subsidy amount and a retail price associated with the item.

- 25. The method of claim 24, wherein the reduced item price is applied to the transaction if the reduced item price plus the third party subsidy amount is at least equal to the retail price.
- 26. The method of claim 1, wherein the third party benefit comprises a third party subsidy amount, the merchant benefit comprises a reduced item price, and further comprising:
- determining the reduced item price based on the third party subsidy amount and at least one of: (i) a retail price associated with the item, (ii) a cost of the item to the merchant, and (iii) a minimum acceptable margin.

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associated with the item.

1	27. The method of claim 1, further comprising:
2	receiving a customer offer to purchase the item in exchange for payment of a
3	customer offer amount,
4	wherein the third party benefit comprises a third party subsidy amount, and the
5	merchant benefit comprises a merchant subsidy amount.
1	28. The method of claim 27, wherein the customer offer comprises at least one of: (i)
2	a binding offer, and (ii) an auction bid.
1	29. The method of claim 27, wherein the customer offer amount is based on a
2	customer-defined price.
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1	30. The method of claim 27, wherein the merchant subsidy amount is based on the
2	third party subsidy amount and the customer offer amount.
1	31. The method of claim 30, wherein the merchant subsidy amount is further based
2	on at least one of: (i) a retail price associated with the item, (ii) a cost of the item to the
3	merchant, and (iii) a minimum acceptable price associated with the item.
1	32. The method of claim 1, wherein said evaluating is based on information
2	associated with the customer.
1	33. The method of claim 32, wherein the information associated with the customer
2	comprises at least one of: (i) an address, (ii) demographic information, (iii) psychographic
3	information, (iv) a credit rating, (v) an association of the customer with the merchant, (vi) an
4	association of the customer with a merchant competitor, (vii) information associated with at
5	least one previous transaction, (viii) a previous subsidy offer provided to the customer, (ix) a
6	previous subsidy offer accepted by the customer, and (x) a previous subsidy offer rejected by
7	the customer.

34. The method of claim 1, wherein said evaluating is based on information

35. The method of claim 34 wherein the information associated with the item
comprises at least one of: (i) an item category, (ii) an item class, (iii) an item feature, (iv)
revenue management information, (v) a number of transactions being complete by the
merchant, (vi) an amount of profit being made by the merchant, (vii) a supply of the item, and
(viii) a demand for the item.

- 36. The method of claim 1, wherein said evaluating is based on at least one other item being purchased by the customer in the transaction.
- 1 37. The method of claim 36, wherein said evaluating is based on a margin associated with the at least one other item.
  - 38. The method of claim 1, wherein said evaluating is based on at least one prior transaction between the customer and the merchant.
  - 39. The method of claim 1, wherein the third party benefit is not revealed to the customer.
  - 40. The method of claim 1, wherein the merchant benefit is not revealed to the customer.
- 1 41. The method of claim 1, wherein the third party benefit and the merchant benefit 2 are not revealed to the customer.
  - 42. The method of claim 1, wherein the third party subsidy offer is conditioned upon performance of a first task by the customer.
  - 43. The method of claim 1, wherein the merchant benefit is associated with a merchant subsidy offer.
- 1 44. The method of claim 43, wherein the merchant subsidy offer is not conditioned 2 upon performance of a second task by the customer.

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1	45. The method of claim 43, wherein the merchant subsidy offer is conditioned upon
2	performance of a second task by the customer.
1	46. The method of claim 45, wherein the second task comprises at least one of: (i)
2	returning to the merchant within a predetermined period of time, (ii) purchasing another item
3	from the merchant within a predetermined period of time, (iii) providing information to the
4	merchant, and (iv) receiving information from the merchant.
1	47. The method of claim 45, further comprising:
2	applying a penalty to the customer if the customer does not perform the second task.
1	48. The method of claim 43, further comprising:
2	transmitting an indication of the merchant subsidy offer to the customer; and
3	receiving a response to the merchant subsidy offer from the customer.
1	49. The method of claim 48, wherein said transmitting is performed via at least one
2	of: (i) a Web page, (ii) a telephone, (iii) an interactive voice response unit, (iv) a point of sale
3	terminal, (v) an automatic teller machine, (vi) a personal digital assistant, (vii) a portable
4	customer device, (viii) an electronic mail message, and (ix) a kiosk.
1	50. The method of claim 1, further comprising:
2	transmitting an indication of the third party subsidy offer to the customer.
1	51. The method of claim 50, wherein the merchant benefit is determined prior to said
2	transmitting.
1	52. The method of claim 1, further comprising:
2	receiving an indication that the customer is interested in purchasing the item.
1	53. The method of claim 52, wherein at least one of said determining and said

- evaluating are performed in response to said receiving.
- 54. The method of claim 53, wherein said receiving comprises receiving from the customer an order for the item.

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1	55. The method of claim 53, wherein said receiving is performed via a Web page and
2	comprises receiving an indication that the item is in a virtual shopping cart associated with
3	the customer.

- 56. The method of claim 53, wherein said receiving comprises receiving an indication that the customer is accessing information about the item.
- 1 57. The method of claim 53, wherein said receiving comprises receiving at least one 2 of: 3 information stored at a customer device, an indication from an input device associated with the customer, 4 5 an indication that the customer is viewing information about the item, an indication that the customer has viewed information about the item for a 6 7 predetermined period of time, 8 an indication that the customer is providing payment for the item, 9 a search term, a price request, an indication that the customer is no longer interested in purchasing the item, 12 an indication that the customer is not going to purchase the item at an original price, an indication that the customer is interested in purchasing another item, 13 14 an indication that the customer is purchasing the item from another merchant, 15 a bid for the item,
  - item, and
    an indication that a second customer is interested in purchasing the item.
- 58. The method of claim 52, wherein said receiving is performed via at least one of:

  (i) a Web page, (ii) a telephone, (iii) an interactive voice response unit, (iv) a point of sale

  terminal, (v) an automatic teller machine, (vi) a personal digital assistant, (vii) a portable

  customer device, (viii) an electronic mail message, and (ix) a kiosk.

an offer to purchase the item, the offer including a customer defined price for the

59. The method of claim 1, wherein the merchant benefit comprises another item to be provided to the customer in place of the item.

1	60. The method of claim 1, wherein the merchant benefit comprises another item to
2	be provided to the customer in addition to the item.
1	61. The method of claim 1, wherein the merchant benefit comprises an improved
2	transaction term.
1	62. The method of claim 61, wherein the transaction term comprises at least one of:
2	(i) a warranty term and (ii) an interest rate term.
1	63. The method of claim 1, wherein said determining comprises determining a
2	plurality of potential third party subsidy offers, and further comprising:
3	selecting the third party subsidy offer to be provided to the customer from the
4	plurality of potential third party subsidy offers
1	64. A method for processing a transaction in which a customer purchases an item
2	from a merchant, comprising:
3	determining a third party subsidy to be provided to the customer, the third party
4	subsidy being associated with (i) a third party subsidy amount to be applied to the transaction
5	and (i) performance of a task by the customer;
6	determining a merchant subsidy amount based on a retail price associated with the
7	item less the third party subsidy amount;
8	determining a retail margin based on a retail price associated with the item less a cost
9	of the item to the merchant; and
10	applying the merchant subsidy amount to the transaction if the retail margin less the
11	merchant subsidy amount is at least equal to a minimum acceptable margin associated with
12	the item,
13	wherein the third party subsidy amount and the merchant subsidy amount are not
14	revealed to the customer.
1	65. A method for processing a transaction in which a customer purchases an item
2	from a merchant via a controller comprising:

receiving an indication the customer is interested in purchasing the item;

said method comprising:

4	determining a third party subsidy offer to be provided to the customer, the third party
5	subsidy offer being associated with (i) a third party benefit to be applied to the transaction
6	and (ii) performance of a task by the customer;
7	determining a merchant benefit to be applied to the transaction; and
8	transmitting to the customer an indication including the third party benefit and the
9	merchant benefit without revealing the third party benefit and the merchant benefit to the
10	customer.
1	66. A method for processing a transaction in which a customer purchases an item
2	from a merchant, comprising:
3	determining a third party subsidy offer to be provided to the customer, the third party
4	subsidy offer being associated with a third party benefit to be applied to the transaction; and
5	determining a merchant subsidy amount to be applied to the transaction.
1	.67. A system for processing a transaction, comprising:
2	processor; and
3	a storage device in communication with said processor and storing instructions
4	adapted to be executed by said processor to:
5	determine a third party subsidy offer to be provided to a customer, the third
6	party subsidy offer being associated with a third party benefit to be applied to the
7	transaction, and
8	evaluate whether a merchant benefit will be applied to the transaction.
1	68. The system of claim 67, further comprising a communication device coupled to
2	said processor and configured to communicate with at least one of: (i) a customer device, (ii)
3	a subsidy provider device, and (iii) a controller.
1	69. The system of claim 67, wherein said storage device further stores at least one of:
2	(i) a customer database, (ii) an item database, (iii) a third party subsidy database, (iv) a
3	merchant subsidy database, and (v) a transaction database.
1	70. A medium storing instructions adapted to be executed by a processor to perform a
2	method of processing a transaction in which a customer purchases an item from a merchant,

determining a third party subsidy offer to be provided to the customer, the third party subsidy offer being associated with a third party benefit to be applied to the transaction; and evaluating whether a merchant benefit will be applied to the transaction.

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